



Study Commission on Aging October 23, 2008

Teresa Johnson, Executive Director
NC Adult Day Services Association

www.ncadsa.org
tj.ccadc@mindspring.com

5220 Beckwyck Drive
Fuquay Varina, NC 27526
Phone (919) 552-0254



5220 Beckwyck Drive
Fuquay-Varina, NC 27526-9293
Phone /Fax (919) 552-0254
ncadsa@springmail.com
www.NCADSA.org

2009 Legislative & Public Policy Priorities

Reverse the Mandate for National Accreditation of Adult Day Centers Serving Persons Through the CAP-MR/DD Medicaid Waiver

As a result of legislation passed in the last session¹, requirements have been proposed to the Centers for Medicare and Medicaid that adult day centers serving persons through CAP-MR/DD waivers must become nationally accredited within one year (pending approval by CMS). Day health centers would also follow the rules of 10 A NCAC 27G which are mental health rules (generally more documentation and staff training).

- The reimbursement must be increased. Reimbursement is already \$12 less than the cost of providing services. Additional costs for accreditation will only increase the gap between the cost and the reimbursement.
- National accreditation is typically an 18-month process. Requiring adult day centers to become nationally accredited within one year is unrealistic. This requirement will impact the availability of this community-based service, forcing adults with developmental and intellectual disabilities to receive services elsewhere.
- The legislature must increase the equitable reimbursement to North Carolina's small businesses to reflect the increased costs of this mandate.

Reduce Medicaid Expenditures by Including Adult Day Health in Medicaid State Plan.

Elders receiving care and persons with disabilities want to stay at home in their community for as long as possible. The problem is that regular Medicaid will pay for a nursing home but those funds cannot be used to pay for adult day services. The average length of stay in an adult day program is two years at an average cost of only \$53 per day². According to statistics below from the NC Division of Medical Assistance, enrolling Medicaid clients in adult day health programs saves the state thousands of dollars per year:

Comparison of Annual Expenditures Per Client:

Adult Day Health

(\$41.51 per day x attending 5 days per week) \$10,295

Average annual cost per Medicaid recipient on the CAP/DA Program³

Waiver costs only	\$18,890
All costs	\$22,577

Average annual cost per Medicaid recipient in a Nursing Facility (does not include any MR facilities)

Facility costs only	\$24,391
All costs	\$27,387

¹ Section 10.15A.(c) of SL2008-0107

² 2005 Adult Day Services Study Final Report requested by Special Provision Section 10.21(a) S.L. 2004-124.

³ *SOURCE: Wendy Alling, Budget Management Section, NC Division of Medical Assistance, October 2008.

Looking at Date of Service claims data from DRIVE for State Fiscal Year 2008 (7/1/07-6/30/08); providers have 365 days from date of service to file a claim, so this would not represent 100% of claims

Adjust the Daily Reimbursement Rate for Adult Day Services By \$5 Per Day.

Adult day programs lose about \$13 per day by serving clients through Home and Community Care Block Grant and the State Adult Day Care Fund. The average daily cost (open avg 10 hours) is \$53 compared to \$40 public reimbursement. ¹Rates reported in the 2005 Adult Day Services Study Final Report requested by Special Provision Section 10.21(a) S.L. 2004-124.



5220 Beckwyck Drive
Fuquay-Varina, NC 27526-9293
Phone (919) 552-0254
ncadsa@springmail.com
www.NCADSA.org

**ADULT DAY SERVICES IN NORTH CAROLINA—An Innovative Cost Effective Model
for Managing Chronic Illness and Disabling Conditions**

Certified Adult Day Centers:	100 in 56 counties in North Carolina
Number of Participants Enrolled:	3,500+
Primary Funding Sources of Participants Enrolled:	Private Pay Home and Community Care Block Grant State Adult Day Care Fund Veterans Administration Medicaid CAP-DA Medicaid CAP-MR/DD Family Caregiver Support USDA Child and Adult Care Food Program Elderly and Handicapped Transportation Assistance Program Private Insurance United Way State Mental Health Funds
National Participant Profile:	<ul style="list-style-type: none">• 52% have cognitive impairment• Average age 72• 2/3 of participants are women
Treatment Plan:	Individualized plan of care designed by a multidisciplinary team and updated at least every six months
Services Provided:	Skilled nursing (in day health centers) Health monitoring Nutritious lunch and snacks Medication supervision Personal care Recreational and Therapeutic Activities Modified Exercise Programs Transportation (usually contracted service) Contracted Services: Speech, occupational and physical therapy
Average Length of Enrollment:	Two years
Average Hours Adult Day Centers Operate Per Day:	10
Average Staff to Participant Ratio:	1 staff person to 3.9 participants
Economic Benefit to State	<ul style="list-style-type: none">• Contribute estimated \$20 million of NC's economy• \$12 million+ is direct wages and benefits• 450 Full-Time Equivalent Staff